

Utah Water Finance Agency

Financial Statements, Independent Auditors' Report, and Compliance Reports

June 30, 2005 and 2004

Utah Water Finance Agency

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Certified Public Accountants (equal opportunity employer)

1000 East 1000 South, Salt Lake City, Utah 84143-1000 Phone (801) 479-4400

INDEPENDENT AUDITORS' REPORT

Board of Directors
Utah Water Finance Agency

We have audited the accompanying basic financial statements of **Utah Water Finance Agency ("UWFA")** as of and for the years ended June 30, 2005 and 2004, as listed in the table of contents. These basic financial statements are the responsibility of the management of **UWFA**. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the overall accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of **UWFA** as of June 30, 2005 and 2004, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2005, on our consideration of **UWFA's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis, as listed in the table of contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed in the foregoing table of contents are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The supplemental schedules are the responsibility of **UWFA's** management. Such supplemental schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Haynie & Co.

Salt Lake City, Utah
December 15, 2005

Management's Discussion and Analysis (Unaudited)

The following is a discussion and analysis of Utah Water Finance Agency's (UWFA) financial performance, providing an overview of UWFA's financial activities for the year ended June 30, 2005. Please read it in conjunction with UWFA's financial statements, which follow this section.

Financial Highlights

- ◆ In November of 2004, UWFA issued revenue bond series A-10 for \$2,865,000 with its member West Jordan City.
- ◆ In January of 2005, UWFA issued revenue bond series A-11 for \$37,100,000 with its member Metropolitan Water District of Salt Lake and Sandy.
- ◆ In March of 2005, UWFA issued revenue bond series 2005A for \$31,635,000 with its members Jordan Valley Water Conservancy District and White City Water Improvement District.
- ◆ In May of 2005, UWFA issued revenue bond series 2005B for \$40,690,000 with its members Washington County Water Conservancy District and Weber Basin Water Conservancy District.
- ◆ In May of 2005, UWFA issued revenue bond series A-12 for \$33,100,000 with its member Central Utah Water Conservancy District.
- ◆ In May of 2005, UWFA issued revenue bond series A-13 for \$20,000,000 with its member Central Utah Water Conservancy District.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to UWFA's basic financial statements and notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. UWFA, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Notes to financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes are an integral part of the basic financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning UWFA.

Financial statement analysis

As noted earlier, UWFA is a pass-through entity and therefore does not have any recorded net assets. Total assets equaled total liabilities at \$554,701,562 and \$451,936,490 as of June 30, 2005 and 2004, respectively.

UWFA's total assets and total liabilities increased by \$102,765,072, as compared to the prior year. The increase is due primarily from the issuance of revenue bonds. Due to the fact that the UWFA is a pass-through entity, there was no affect on net assets.

UWFA's revenue is made up of interest from notes receivable and related accounts. Total revenue was \$17,424,573 and \$13,777,066 for the years ended June 30, 2005 and 2004, respectively.

UWFA's expenses are made up of interest on revenue bonds issued and related accounts. Total expenses were \$17,424,573 and \$13,777,066 for the years ended June 30, 2005 and 2004, respectively.

UWFA's total revenues as well as expenses increased by \$3,647,507, as compared to the prior year. This increase is directly related to the increase in revenue bonds outstanding.

Long-term Debt

UWFA had total debt outstanding of \$548,515,000 and \$446,500,000 at June 30, 2005 and 2004, respectively. The debt represents bonds secured solely by specified revenue sources (i.e. revenue bonds), and notes receivable.

UWFA's total net debt increased by \$102,015,000 during the current fiscal year. This increase was from the issuance of \$165,390,000 of revenue bonds for its various members, less scheduled principal bond payments of \$10,410,000 on existing revenue bonds and advance refundings of the 1998A and 1999A revenue bonds of \$52,965,000.

UWFA is a cooperative formed with other Utah water districts and cities that come together to obtain bonds in an effort to achieve better economies of scale on issuance and other related costs. UWFA's revenue bonds are rated Aaa by Moody's and are insured.

Additional information on UWFA's long-term debt can be found in the notes to the financial statements.

Requests for Information

This financial report is designed to provide a general overview of Utah Water Finance Agency's finances for all those with an interest in UWFA's finances. Questions concerning any of the information provided in this report, or requests for additional financial information should be addressed to the office of UWFA at P.O. Box 70, 8215 South 1300 West, West Jordan Utah 84088-0070.

Utah Water Finance Agency

Balance Sheets

June 30	2005	2004
Assets		
Current assets:		
Cash on deposit	\$ 12,011	\$ 10,810
Short-term investments	1,178,458	827,123
Receivables:		
Notes receivable - current portion	11,940,000	10,130,000
Accrued interest	4,996,093	4,598,557
Total current assets	18,126,562	15,566,490
Notes receivable, net	536,575,000	436,370,000
Total assets	\$ 554,701,562	\$ 451,936,490
Liabilities and net assets		
Current liabilities:		
Accounts payable - members	\$ 1,190,469	\$ 837,933
Bonds payable - current portion	11,940,000	10,130,000
Accrued interest payable	4,996,093	4,598,557
Total current liabilities	18,126,562	15,566,490
Bonds payable, net	536,575,000	436,370,000
Total liabilities	554,701,562	451,936,490
Net assets	-	-
Total liabilities and net assets	\$ 554,701,562	\$ 451,936,490

See accompanying notes to financial statements

Utah Water Finance Agency

Statements of Revenues, Expenses, and Changes in Net Assets

For the years ended June 30	2005	2004
Revenues:		
Interest:		
Notes receivable	\$ 17,409,453	\$ 13,768,179
Public Treasurer's Investment Fund	15,120	8,887
Total revenues	17,424,573	13,777,066
Expenses:		
Interest	17,409,453	13,768,179
Public Treasurer's Investment Fund Interest Expense	15,120	8,887
Total expenses	17,424,573	13,777,066
Change in net assets	-	-
Net assets, beginning of year	-	-
Net assets, end of year	\$ -	\$ -

See accompanying notes to financial statements

Utah Water Finance Agency

Statements of Cash Flows

For the years ended June 30	2005	2004
Cash flows from operating activities:		
Receipts from members	\$ 17,011,917	\$ 12,552,069
Other operating cash receipts	15,120	8,887
Payments to obligors	(16,659,381)	(12,273,716)
Other operating cash payments	(15,120)	(8,887)
Net cash provided by operating activities	352,536	278,353
Net increase in cash and cash equivalents	352,536	278,353
Cash and cash equivalents, beginning of year	837,933	559,580
Cash and cash equivalents, end of year	\$ 1,190,469	\$ 837,933

See accompanying notes to financial statements

Utah Water Finance Agency

Statements of Cash Flows (continued)

For the years ended June 30	2005	2004
Reconciliation of the change in net assets to net cash provided by operating activities		
Change in net assets	\$ -	\$ -
Notes receivable	(102,015,000)	(101,385,000)
Accrued interest receivable	(397,536)	(1,216,110)
Accounts payable - members	352,536	278,353
Bonds payable	102,015,000	101,385,000
Accrued interest payable	397,536	1,216,110
Net cash provided by operating activities	\$ 352,536	\$ 278,353
Cash and cash equivalents summary		
Cash on deposit	\$ 12,011	\$ 10,810
Short-term investments	1,178,458	827,123
Total cash and cash equivalents	\$ 1,190,469	\$ 837,933

See accompanying notes to financial statements

Utah Water Finance Agency

Notes to Financial Statements

Note 1 - Organization

Utah Water Finance Agency ("UWFA"), a pooled capital improvement financing program, was formed on September 26, 1996 for the purpose of financing or refinancing various water and wastewater projects and certain hydroelectric projects of UWFA members, (Alpine City, Cedar City, Centerville City, Central Utah Water Conservancy District, Heber City, Jordan Valley Water Conservancy District, Metropolitan Water District of Pleasant Grove City, Metropolitan Water District of Salt Lake and Sandy, Orem City, Roy Water Conservancy Subdistrict, South Jordan City, South Valley Sewerage District, St. George City, Timpanogas Special Service District, Tooele City, Uintah Water Conservancy District, Washington County Water Conservancy District, Weber Basin Water Conservancy District, Weber-Box Elder Conservation District, West Jordan City, and White City Water Improvement District).

Participating members (Alpine City, Centerville City, Central Utah Water Conservancy District, Jordan Valley Water Conservancy District, Metropolitan Water District of Pleasant Grove City, Metropolitan Water District of Salt Lake and Sandy, Roy Water Conservancy Subdistrict, South Jordan City, St. George City, Timpanogas Special Service District, Tooele City, Washington County Water Conservancy District, Weber Basin Water Conservancy District, Weber-Box Elder Conservation District, West Jordan City, and White City Water Improvement District) received loans out of the proceeds of various Project Bonds, which were issued under the provisions of the Utah Interlocal Cooperation Act and a Trust Indenture dated March 15, 1997 between UWFA and Zion's First National Bank as trustee (Trustee).

UWFA is a political subdivision of the State of Utah. UWFA is a pass-through entity and, as such, interest expense and operating expenses incurred by UWFA are passed through to participating members. Interest expense of \$17,424,573 and \$13,777,066, were passed through to participating members for the years ended June 30, 2005 and 2004, respectively.

On February 11, 2005 the UWFA member representatives approved the addition of White City Water Improvement District.

UWFA is not a component unit of another government and has no component units.

Note 2 - Significant accounting policies

Presentation - UWFA has adopted the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis - for State and Local Governments: Omnibus*, and GASB Statement No. 38, *Certain Financial Statement Disclosures*. These statements require governmental entities with more than one governmental activity to present additional accrual-based statements to better communicate the financial status of the entity. The significant changes to UWFA's financial statements resulting from the adoption of these statements are the Management's Discussion and Analysis and the titles and presentation of the financial statements to conform to the net asset presentation.

UWFA is operated as a proprietary fund. Proprietary funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Basis of accounting - UWFA is an enterprise fund and its records are maintained on the accrual basis of accounting. UWFA has elected to follow all Governmental Accounting Standards Board (GASB) pronouncements and all Financial Accounting Standards Board (FASB) statements and interpretations, APB opinions, and ARBS, issued after November 30, 1989, except those that conflict with a GASB pronouncement, in accordance with GASB Statement No. 20.

Management estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Utah Water Finance Agency

Notes to Financial Statements (continued)

Note 2 - Significant accounting policies (continued)

Cash and cash equivalents - For purposes of the statements of cash flows, UWFA considers all cash on hand and in banks, and unrestricted and restricted short-term investments with an original maturity of less than 90 days to be cash equivalents.

Short-term investments - Short-term investments represent payments on notes from participating members and are invested in the Public Treasurer's Investment Fund (See Note 3).

Discounts and premiums - The discounts and premiums on the Project Bonds are passed through UWFA to the participating members and, accordingly, a discount or premium is set up and amortized to interest expense by the participating members over the life of the related note payable to UWFA. Therefore, the receivables and payables on UWFA's balance sheet are recorded at the Project Bonds' par value.

Income taxes - In connection with UWFA's issuance of the bonds, bond counsel rendered an opinion that the interest on the bonds received by bondholders was exempt from Federal taxation if the bond proceeds were timely used for qualified government projects and UWFA complied with certain requirements and restrictions. UWFA has covenanted to comply with all such requirements and restrictions. Management believes that they are in compliance with all such requirements and restrictions.

Reclassifications - Certain reclassifications have been made to the 2004 financial statements to conform to the 2005 presentation.

Note 3 - Cash, cash equivalents and short- term investments

The State of Utah Money Management Council has the responsibility to advise the State Treasurer about investment policies, promote measures and rules that will assist in strengthening the banking and credit structure of the State, and review the rules adopted under the authority of the State of Utah Money Management Act that relate to the deposit and investment of public funds.

UWFA follows the requirements of the Utah Money Management Act (*Utah Code*, Section 51, Chapter 7) in handling its depository and investment transactions. The Act requires the depositing of UWFA's funds in a qualified depository. The Act defines qualified depository as any financial institution whose deposits are insured by an agency of the Federal Government and that has been certified by the State Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

Deposits

Cash, cash equivalents, and short-term investments consisted of the following:

June 30	2005	2004
Cash and cash equivalents:		
Cash on deposit	\$ 12,011	\$ 10,810
Short-term investments:		
Public Treasurer's Investment Fund	1,178,458	827,123
Total cash and investments	\$ 1,190,469	\$ 837,933

Investments

The Money Management Act defines the types of securities authorized as appropriate investments for UWFA and the conditions for making investment transactions. Investment transactions may be conducted only through qualified depositories, certified dealers, or directly with issuers of the investment securities.

Utah Water Finance Agency

Notes to Financial Statements (continued)

Note 3 - Cash, cash equivalents and short-term investments (continued)

Statutes authorize UWFA to invest in negotiable or nonnegotiable deposits of qualified depositories and permitted negotiable depositories; repurchase and reverse repurchase agreements; commercial paper classified as "first tier" by two nationally recognized statistical rating organizations, one of which must be Moody's Investor Services or Standard and Poor's; bankers' acceptances; obligations of the U.S. Treasury including bills, notes, and bonds; bonds, notes, and other evidence of indebtedness of political subdivisions of the State; fixed rate corporate obligations and variable rate securities rated "A" or higher, or the equivalent of "A" or higher, by two nationally recognized statistical rating organizations; shares or certificates in a money market mutual fund as defined in the Act; and the Utah State Public Treasurer's Investment Fund. All investments held by UWFA at June 30, 2005 comply with the provisions of the Act.

The Utah State Treasurer's Office operates the Public Treasurer's Investment Fund (PTIF). The PTIF is available for investment of funds administered by any Utah public treasurer.

The PTIF is not registered with the SEC as an investment company. The PTIF is authorized and regulated by the Money Management Act, Section 51-7, *Utah Code Annotated*, 1953, as amended. The Act established the Money Management Council, which oversees the activities of the State Treasurer and the PTIF and details the types of authorized investments. Deposits in the PTIF are not insured or otherwise guaranteed by the State of Utah, and participants share proportionally in any realized gains or losses on investments.

The PTIF operates and reports to participants on an amortized cost basis. The income, gains, and losses - net of administration fees, of the PTIF are allocated based upon the participant's average daily balance. The fair value of the PTIF investment pool is approximately equal to the value of the pool shares.

UWFA had the following investments and maturities:

June 30		2005			
Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
Investments - Public Treasurer's					
Investment Fund	\$ 1,178,458	\$ 1,178,458	\$ -	\$ -	\$ -
Total investments	\$ 1,178,458	\$ 1,178,458	\$ -	\$ -	\$ -

June 30		2004			
Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	More than 10
Investments - Public Treasurer's					
Investment Fund	\$ 827,123	\$ 827,123	\$ -	\$ -	\$ -
Total investments	\$ 827,123	\$ 827,123	\$ -	\$ -	\$ -

Utah Water Finance Agency

Notes to Financial Statements (continued)

Note 3 - Cash, Interest Rate Risk

cash equivalents and short- term investments (continued)

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. UWFA's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the State's Money Management Act. Section 51-7-11 of the Act requires that the remaining term to maturity of investments may not exceed the period of availability of the funds to be invested. The Act further limits the remaining term to maturity on all investments in commercial paper, bankers' acceptances, fixed rate negotiable deposits, and fixed rate corporate obligations to 270-365 days or less. In addition, variable rate negotiable deposits and variable rate securities may not have a remaining term to final maturity exceeding 2 years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. UWFA's policy for reducing its exposure to credit risk is to comply with the State's Money Management Act as previously discussed.

UWFA had the following investments and quality ratings:

June 30		2005			
Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
Investments - Public Treasurer's					
Investment Fund	\$ 1,178,458	\$ -	\$ -	\$ -	\$ 1,178,458
Total investments	\$ 1,178,458	\$ -	\$ -	\$ -	\$ 1,178,458

June 30		2004			
Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
Investments - Public Treasurer's					
Investment Fund	\$ 827,123	\$ -	\$ -	\$ -	\$ 827,123
Total investments	\$ 827,123	\$ -	\$ -	\$ -	\$ 827,123

Utah Water Finance Agency

Notes to Financial Statements (continued)

Note 4 - Notes receivable

UWFA loans money to its participating members to finance capital improvement projects. The proceeds from the notes receivable are collateral for the related Project Bonds (see Note 5).

Notes receivable consisted of the following:

June 30	2005	2004
Notes from participating members, annual principal installments through the year 2036, interest from 1.13% to 6.25% payable annually; collateralized by revenues from members' identifiable project assets, by certain future incremental tax revenues, or by general revenues of the participating member	\$ 548,515,000	\$ 446,500,000
Less current portion	11,940,000	10,130,000
Long-term portion	\$ 536,575,000	\$ 436,370,000

The scheduled minimum future note payments to be received from the notes receivable are as follows:

June 30	
2006	\$ 11,940,000
2007	14,965,000
2008	15,250,000
2009	15,530,000
2010	16,405,000
Thereafter	474,425,000
Total	\$ 548,515,000

Note 5 - Bonds payable

Bonds payable consisted of the following:

June 30	2005	2004
Series 1997A Project Bonds, principal payable annually through October 2012, interest from 3.75% to 6.25% payable semi-annually, collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)	\$ 7,625,000	\$ 8,585,000
Series 1998A Project Bonds, principal payable annually through October 2009, interest from 3.80% to 5.30% payable semi-annually, collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)	4,180,000	18,015,000
Series 1998B Project Bonds, principal payable annually through June 2019, interest from 3.85% to 5.50% payable semi-annually, collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)	34,725,000	34,895,000

Utah Water Finance Agency

Notes to Financial Statements (continued)

Note 5 - Bonds payable (continued)	June 30	2005	2004
Series 1999A Project Bonds, principal payable annually through October 2011, interest from 3.65% to 5.50% payable semi-annually, collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		4,945,000	45,910,000
Series 2000A Project Bonds, principal payable annually through October 2013, interest from 4.50% to 5.375% payable semi-annually, collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		5,075,000	5,580,000
Series 2001A Project Bonds, principal payable annually through October 2027, interest from 3.20% to 5.25% payable semi-annually, collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		35,770,000	36,620,000
Series 2002A Project Bonds, principal payable annually through October 2026, interest from 3.00% to 5.20% payable semi-annually, collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		7,425,000	7,885,000
Series 2002B Project Bonds, principal payable annually through July 2023, interest from 3.50% to 5.25% payable semi-annually, collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		23,105,000	23,930,000
Series A-1 and A-2 Project Bonds, principal payable annually through October 2022, interest at a variable weekly rate is payable monthly (at June 30, 2005 the interest rate was 2.32%), collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		20,975,000	21,175,000
Series A-3 Project Bonds, principal payable annually through July 2023, interest at a variable weekly rate is payable monthly (at June 30, 2005 the interest rate was 2.32%), collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		5,300,000	5,500,000
Series A-4 Project Bonds, principal payable annually through July 2029, interest at a variable weekly rate is payable monthly (at June 30, 2005 the interest rate was 2.32%), collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		12,100,000	12,100,000
Series A-5 Project Bonds, principal payable annually through October 2027, interest at a variable weekly rate is payable monthly (at June 30, 2005 the interest rate was 2.32%), collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		14,900,000	14,900,000
Series A-6 Project Bonds, principal payable annually through October 2029 interest at a variable weekly rate is payable monthly (at June 30, 2005 the interest rate was 2.32%), collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		13,150,000	13,150,000

Utah Water Finance Agency

Notes to Financial Statements (continued)

Note 5 - Bonds payable (continued)	June 30	2005	2004
Series 2002C Project Bonds, principal payable annually through October 2028, interest from 3.00% to 5.25% payable semi-annually, collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		44,720,000	45,150,000
Series 2003A Project Bonds, principal payable annually through July 2019, interest from 2.50% to 5.25% payable semi-annually, collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		21,745,000	23,710,000
Series A-7 Project Bonds, principal payable annually through June 2013 interest at a variable weekly rate is payable monthly (at June 30, 2005 the interest rate was 2.32%), collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		8,600,000	9,600,000
Series A-8 Project Bonds, principal payable annually through July 2032 interest at a variable weekly rate is payable monthly (at June 30, 2005 the interest rate was 2.32%), collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		12,000,000	12,000,000
Series 2003B Project Bonds, principal payable annually through September 2023, interest from 3.00% to 5.375% payable semi-annually, collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		21,750,000	22,480,000
Series 2004A Project Bonds, principal payable annually through July 2025, interest from 1.75% to 5.00% payable semi-annually, collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		38,015,000	38,015,000
Series A-9 Project Bonds, principal payable annually through July 2034 interest at a variable weekly rate is payable monthly (at June 30, 2005 the interest rate was 2.32%), collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		47,300,000	47,300,000
Series A-10 Project Bonds, principal payable annually through June 2014 interest at a variable weekly rate is payable monthly (at June 30, 2005 the interest rate was 2.32%), collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		2,585,000	
Series A-11 Project Bonds, principal payable annually through July 2031 interest at a variable weekly rate is payable monthly (at June 30, 2005 the interest rate was 2.32%), collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		37,100,000	
Series 2005A Project Bonds, principal payable annually through October 2023, interest from 3.25% to 5.00% payable semi-annually, collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)		31,635,000	

Utah Water Finance Agency

Notes to Financial Statements (continued)

Note 5 - Bonds payable (continued)

Series 2005B Project Bonds, principal payable annually through October 2029, interest from 3.50% to 5.00% payable semi-annually, collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)

40,690,000

Series A-12 Project Bonds, principal payable annually through October 2035 interest at a variable weekly rate is payable monthly (at June 30, 2005 the interest rate was 2.32%), collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)

33,100,000

Series A-13 Project Bonds, principal payable annually through October 2027 interest at a variable weekly rate is payable monthly (at June 30, 2005 the interest rate was 2.32%), collateralized by proceeds from certain notes receivable and restricted investments (see Notes 3 and 4)

20,000,000

Total	548,515,000	446,500,000
Less current portion	11,940,000	10,130,000
Long-term portion	\$ 536,575,000	\$ 436,370,000

Future maturities of bonds payable are:

June 30

2006	\$ 11,940,000
2007	14,965,000
2008	15,250,000
2009	15,530,000
2010	16,405,000
Thereafter	474,425,000
Total	\$ 548,515,000

Long-term debt transactions for the year ended June 30, 2005 are as follows:

	Beginning Balance	Proceeds	Payments	Ending Balance	Due Within One Year
Bonds payable	\$ 446,500,000	\$ 165,390,000	\$ 63,375,000	\$ 548,515,000	\$ 11,940,000
Total long-term debt	\$ 446,500,000	\$ 165,390,000	\$ 63,375,000	\$ 548,515,000	\$ 11,940,000

Long-term debt transactions for the year ended June 30, 2004 are as follows:

	Beginning Balance	Proceeds	Payments	Ending Balance	Due Within One Year
Bonds payable	\$ 345,115,000	\$ 107,795,000	\$ 6,410,000	\$ 446,500,000	\$ 10,130,000
Total long-term debt	\$ 345,115,000	\$ 107,795,000	\$ 6,410,000	\$ 446,500,000	\$ 10,130,000

Prior-year defeasance of debt - In prior years, UWFA defeased certain revenue bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in UWFA's financial statements.

Note 7 - Subsequent event

On July 26, 2005, Utah Water Finance Agency issued its Series A-14 bonds for \$16,200,000. These bonds mature in 2036, and bear variable weekly interest rates.

SUPPLEMENTAL SCHEDULES

Utah Water Finance Agency

Schedule of Revenue Bond Debt Service Payments

1997A Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 1,015,000	\$ 385,016	\$ 1,400,016	\$ 6,610,000
2007	1,065,000	330,479	1,395,479	5,545,000
2008	1,125,000	272,916	1,397,916	4,420,000
2009	1,185,000	211,168	1,396,168	3,235,000
2010	740,000	157,233	897,233	2,495,000
2011	790,000	112,876	902,876	1,705,000
2012	830,000	69,338	899,338	875,000
2013	875,000	23,516	898,516	-
Total	\$ 7,625,000	\$ 1,562,542	\$ 9,187,542	

1998A Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 610,000	\$ 850,338	\$ 1,460,338	\$ 3,570,000
2007	645,000	797,713	1,442,713	2,925,000
2008	675,000	742,213	1,417,213	2,250,000
2009	710,000	685,038	1,395,038	1,540,000
2010	1,540,000	602,688	2,142,688	-
Total	\$ 4,180,000	\$ 3,677,990	\$ 7,857,990	

1998B Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 175,000	\$ 1,736,991	\$ 1,911,991	\$ 34,550,000
2007	1,740,000	1,658,160	3,398,160	32,810,000
2008	1,625,000	1,592,623	3,217,623	31,185,000
2009	1,735,000	1,507,163	3,242,163	29,450,000
2010	1,830,000	1,422,470	3,252,470	27,620,000
2011	1,960,000	1,330,775	3,290,775	25,660,000
2012	2,100,000	1,230,500	3,330,500	23,560,000
2013	2,225,000	1,122,375	3,347,375	21,335,000
2014	2,360,000	1,007,750	3,367,750	18,975,000
2015	2,510,000	886,000	3,396,000	16,465,000
2016	2,930,000	750,000	3,680,000	13,535,000
2017	3,100,000	599,250	3,699,250	10,435,000
2018	3,280,000	439,750	3,719,750	7,155,000
2019	7,155,000	178,875	7,333,875	-
Total	\$ 34,725,000	\$ 15,462,682	\$ 50,187,682	

Utah Water Finance Agency

Schedule of Revenue Bond Debt Service Payments (continued)

1999A Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 920,000	\$ 214,288	\$ 1,134,288	\$ 4,025,000
2007	970,000	171,277	1,141,277	3,055,000
2008	1,015,000	125,116	1,140,116	2,040,000
2009	895,000	79,782	974,782	1,145,000
2010	535,000	45,195	580,195	610,000
2011	560,000	17,388	577,388	50,000
2012	50,000	1,344	51,344	-
Total	\$ 4,945,000	\$ 654,390	\$ 5,599,390	

2000A Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 530,000	\$ 250,233	\$ 780,233	\$ 4,545,000
2007	555,000	222,969	777,969	3,990,000
2008	585,000	194,038	779,038	3,405,000
2009	615,000	163,284	778,284	2,790,000
2010	645,000	130,678	775,678	2,145,000
2011	680,000	96,058	776,058	1,465,000
2012	715,000	59,260	774,260	750,000
2013	750,000	20,156	770,156	-
Total	\$ 5,075,000	\$ 1,136,676	\$ 6,211,676	

2001A Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 880,000	\$ 1,749,763	\$ 2,629,763	\$ 34,890,000
2007	720,000	1,719,313	2,439,313	34,170,000
2008	745,000	1,690,463	2,435,463	33,425,000
2009	780,000	1,659,573	2,439,573	32,645,000
2010	810,000	1,623,333	2,433,333	31,835,000
2011	850,000	1,574,808	2,424,808	30,985,000
2012	890,000	1,544,283	2,434,283	30,095,000
2013	940,000	1,498,533	2,438,533	29,155,000
2014	1,775,000	1,428,439	3,203,439	27,380,000
2015	1,870,000	1,332,758	3,202,758	25,510,000
2016	1,970,000	1,231,958	3,201,958	23,540,000
2017	2,070,000	1,129,560	3,199,560	21,470,000
2018	2,180,000	1,024,860	3,204,860	19,290,000
2019	2,295,000	912,383	3,207,383	16,995,000
2020	2,005,000	802,733	2,807,733	14,990,000
2021	2,105,000	697,928	2,802,928	12,885,000
2022	2,220,000	588,750	2,808,750	10,665,000
2023	2,335,000	474,875	2,809,875	8,330,000
2024	2,450,000	355,250	2,805,250	5,880,000
2025	2,580,000	229,500	2,809,500	3,300,000
2026	2,705,000	97,375	2,802,375	595,000
2027	595,000	14,875	609,875	-
Total	\$ 35,770,000	\$ 23,381,313	\$ 59,151,313	

Utah Water Finance Agency

Schedule of Revenue Bond Debt Service Payments (continued)

2002A Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 530,000	\$ 317,975	\$ 847,975	\$ 6,895,000
2007	555,000	298,988	853,988	6,340,000
2008	570,000	278,588	848,588	5,770,000
2009	590,000	256,100	846,100	5,180,000
2010	450,000	234,738	684,738	4,730,000
2011	465,000	215,294	680,294	4,265,000
2012	480,000	195,213	675,213	3,785,000
2013	500,000	172,513	672,513	3,285,000
2014	525,000	148,200	673,200	2,760,000
2015	550,000	124,013	674,013	2,210,000
2016	335,000	103,849	438,849	1,875,000
2017	350,000	87,310	437,310	1,525,000
2018	370,000	69,310	439,310	1,155,000
2019	105,000	57,330	162,330	1,050,000
2020	110,000	51,740	161,740	940,000
2021	115,000	45,890	160,890	825,000
2022	120,000	39,780	159,780	705,000
2023	125,000	33,410	158,410	580,000
2024	135,000	26,650	161,650	445,000
2025	140,000	19,500	159,500	305,000
2026	150,000	11,960	161,960	155,000
2027	155,000	4,030	159,030	-
Total	\$ 7,425,000	\$ 2,792,381	\$ 10,217,381	

2002B Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 855,000	\$ 1,093,413	\$ 1,948,413	\$ 22,250,000
2007	885,000	1,062,963	1,947,963	21,365,000
2008	915,000	1,029,175	1,944,175	20,450,000
2009	950,000	990,688	1,940,688	19,500,000
2010	990,000	948,225	1,938,225	18,510,000
2011	1,035,000	902,663	1,937,663	17,475,000
2012	1,085,000	854,963	1,939,963	16,390,000
2013	1,140,000	805,613	1,945,613	15,250,000
2014	1,180,000	754,125	1,934,125	14,070,000
2015	1,240,000	695,025	1,935,025	12,830,000
2016	1,305,000	628,219	1,933,219	11,525,000
2017	1,400,000	557,213	1,957,213	10,125,000
2018	1,450,000	484,213	1,934,213	8,675,000
2019	1,525,000	409,075	1,934,075	7,150,000
2020	1,600,000	328,819	1,928,819	5,550,000
2021	1,680,000	244,009	1,924,009	3,870,000
2022	1,415,000	163,894	1,578,894	2,455,000
2023	1,490,000	88,600	1,578,600	965,000
2024	965,000	24,991	989,991	-
Total	\$ 23,105,000	\$ 12,065,886	\$ 35,170,886	

Utah Water Finance Agency

Schedule of Revenue Bond Debt Service Payments (continued)

A-1 Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 100,000	\$ 464,747	\$ 564,747	\$ 11,045,000
2007	100,000	460,577	560,577	10,945,000
2008	100,000	456,407	556,407	10,845,000
2009	100,000	390,420	490,420	10,745,000
2010	100,000	386,820	486,820	10,645,000
2011	100,000	383,220	483,220	10,545,000
2012	100,000	379,620	479,620	10,445,000
2013	100,000	376,020	476,020	10,345,000
2014	1,000,000	372,420	1,372,420	9,345,000
2015	1,000,000	336,420	1,336,420	8,345,000
2016	1,100,000	300,420	1,400,420	7,245,000
2017	1,100,000	260,820	1,360,820	6,145,000
2018	1,200,000	221,220	1,421,220	4,945,000
2019	1,200,000	178,020	1,378,020	3,745,000
2020	1,200,000	134,850	1,334,850	2,545,000
2021	1,300,000	91,620	1,391,620	1,245,000
2022	1,245,000	44,820	1,289,820	-
Total	\$ 11,145,000	\$ 5,238,441	\$ 16,383,441	

* The A-1 series revenue bond has a variable interest rate. For purposes of this schedule, an assumed rate of 3.6% per annum is used. Actual interest payments will vary from this schedule.

A-2 Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 100,000	\$ 445,299	\$ 545,299	\$ 9,730,000
2007	100,000	440,769	540,769	9,630,000
2008	100,000	436,239	536,239	9,530,000
2009	100,000	431,709	531,709	9,430,000
2010	600,000	427,179	1,027,179	8,830,000
2011	600,000	399,999	999,999	8,230,000
2012	700,000	296,280	996,280	7,530,000
2013	700,000	271,080	971,080	6,830,000
2014	700,000	245,880	945,880	6,130,000
2015	700,000	220,680	920,680	5,430,000
2016	800,000	195,480	995,480	4,630,000
2017	800,000	166,680	966,680	3,830,000
2018	800,000	137,880	937,880	3,030,000
2019	800,000	109,080	909,080	2,230,000
2020	800,000	80,280	880,280	1,430,000
2021	800,000	51,480	851,480	630,000
2022	630,000	22,680	652,680	-
Total	\$ 9,830,000	\$ 4,378,674	\$ 14,208,674	

* The A-2 series revenue bond has a variable interest rate. For purposes of this schedule, an assumed rate of 3.6% per annum is used. Actual interest payments will vary from this schedule.

Utah Water Finance Agency

Schedule of Revenue Bond Debt Service Payments (continued)

A-3 Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 200,000	\$ 190,800	\$ 390,800	\$ 5,100,000
2007	200,000	183,600	383,600	4,900,000
2008	200,000	176,400	376,400	4,700,000
2009	200,000	169,200	369,200	4,500,000
2010	200,000	162,000	362,000	4,300,000
2011	300,000	154,800	454,800	4,000,000
2012	300,000	144,000	444,000	3,700,000
2013	300,000	133,200	433,200	3,400,000
2014	300,000	122,400	422,400	3,100,000
2015	300,000	111,600	411,600	2,800,000
2016	300,000	100,800	400,800	2,500,000
2017	300,000	90,000	390,000	2,200,000
2018	300,000	79,200	379,200	1,900,000
2019	300,000	68,400	368,400	1,600,000
2020	400,000	57,600	457,600	1,200,000
2021	400,000	43,200	443,200	800,000
2022	400,000	28,800	428,800	400,000
2023	400,000	14,400	414,400	-
Total	\$ 5,300,000	\$ 2,030,400	\$ 7,330,400	

* The A-3 series revenue bond has a variable interest rate. For purposes of this schedule, an assumed rate of 3.6% per annum is used. Actual interest payments will vary from this schedule.

A-4 Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ -	\$ 522,720	\$ 522,720	\$ 12,100,000
2007	-	522,720	522,720	12,100,000
2008	-	522,720	522,720	12,100,000
2009	-	522,720	522,720	12,100,000
2010	-	522,720	522,720	12,100,000
2011	-	435,600	435,600	12,100,000
2012	-	435,600	435,600	12,100,000
2013	-	435,600	435,600	12,100,000
2014	-	435,600	435,600	12,100,000
2015	-	435,600	435,600	12,100,000
2016	-	435,600	435,600	12,100,000
2017	-	435,600	435,600	12,100,000
2018	-	435,600	435,600	12,100,000
2019	-	435,600	435,600	12,100,000
2020	-	435,600	435,600	12,100,000
2021	-	435,600	435,600	12,100,000
2022	-	435,600	435,600	12,100,000
2023	600,000	435,600	1,035,600	11,500,000
2024	1,700,000	414,000	2,114,000	9,800,000
2025	1,800,000	352,800	2,152,800	8,000,000
2026	1,900,000	288,000	2,188,000	6,100,000
2027	1,900,000	219,600	2,119,600	4,200,000
2028	2,000,000	151,200	2,151,200	2,200,000
2029	2,200,000	79,200	2,279,200	-
Total	\$ 12,100,000	\$ 9,781,200	\$ 21,881,200	

* The A-4 series revenue bond has a variable interest rate. For purposes of this schedule, an assumed rate of 3.6% per annum is used. Actual interest payments will vary from this schedule.

Utah Water Finance Agency

Schedule of Revenue Bond Debt Service Payments (continued)

A-5 Series Revenue Bond					Balance at End of Year
Year Ending June 30	Debt Service Payments				
	Principal	Interest	Total		
2006	\$ -	\$ 528,950	\$ 528,950	\$ 14,900,000	
2007	-	528,950	528,950	14,900,000	
2008	-	528,950	528,950	14,900,000	
2009	-	528,950	528,950	14,900,000	
2010	-	528,950	528,950	14,900,000	
2011	-	528,950	528,950	14,900,000	
2012	-	528,950	528,950	14,900,000	
2013	-	528,950	528,950	14,900,000	
2014	-	528,950	528,950	14,900,000	
2015	-	528,950	528,950	14,900,000	
2016	-	528,950	528,950	14,900,000	
2017	-	528,950	528,950	14,900,000	
2018	1,100,000	502,917	1,602,917	13,800,000	
2019	1,200,000	461,500	1,661,500	12,600,000	
2020	1,200,000	418,900	1,618,900	11,400,000	
2021	1,200,000	376,300	1,576,300	10,200,000	
2022	1,300,000	331,333	1,631,333	8,900,000	
2023	1,300,000	285,183	1,585,183	7,600,000	
2024	1,400,000	236,667	1,636,667	6,200,000	
2025	1,500,000	184,600	1,684,600	4,700,000	
2026	1,500,000	131,350	1,631,350	3,200,000	
2027	1,600,000	75,733	1,675,733	1,600,000	
2028	1,600,000	18,933	1,618,933	-	
Total	\$ 14,900,000	\$ 9,370,816	\$ 24,270,816		

* The A-5 series revenue bond has a variable interest rate. For purposes of this schedule, an assumed rate of 3.55% per annum is used. Actual interest payments will vary from this schedule.

A-6 Series Revenue Bond					Balance at End of Year
Year Ending June 30	Debt Service Payments				
	Principal	Interest	Total		
2006	\$ -	\$ 578,600	\$ 578,600	\$ 13,150,000	
2007	-	578,600	578,600	13,150,000	
2008	-	578,600	578,600	13,150,000	
2009	-	578,600	578,600	13,150,000	
2010	-	578,600	578,600	13,150,000	
2011	-	578,600	578,600	13,150,000	
2012	-	578,600	578,600	13,150,000	
2013	-	578,600	578,600	13,150,000	
2014	-	578,600	578,600	13,150,000	
2015	-	578,600	578,600	13,150,000	
2016	-	578,600	578,600	13,150,000	
2017	-	578,600	578,600	13,150,000	
2018	-	578,600	578,600	13,150,000	
2019	-	578,600	578,600	13,150,000	
2020	-	578,600	578,600	13,150,000	
2021	1,050,000	547,800	1,597,800	12,100,000	
2022	1,100,000	500,133	1,600,133	11,000,000	
2023	1,100,000	451,733	1,551,733	9,900,000	
2024	1,200,000	400,400	1,600,400	8,700,000	
2025	1,300,000	344,667	1,644,667	7,400,000	
2026	1,300,000	287,467	1,587,467	6,100,000	
2027	1,400,000	227,333	1,627,333	4,700,000	
2028	1,500,000	162,800	1,662,800	3,200,000	
2029	1,600,000	93,867	1,693,867	1,600,000	
2030	1,600,000	23,467	1,623,467	-	
Total	\$ 13,150,000	\$ 11,718,667	\$ 24,868,667		

* The A-6 series revenue bond has a variable interest rate. For purposes of this schedule, an assumed rate of 4.40% per annum is used. Actual interest payments will vary from this schedule.

Utah Water Finance Agency

Schedule of Revenue Bond Debt Service Payments (continued)

2002C Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 850,000	\$ 2,202,569	\$ 3,052,569	\$ 43,870,000
2007	900,000	2,176,319	3,076,319	42,970,000
2008	925,000	2,144,319	3,069,319	42,045,000
2009	1,000,000	2,100,819	3,100,819	41,045,000
2010	1,000,000	2,050,819	3,050,819	40,045,000
2011	1,065,000	1,999,194	3,064,194	38,980,000
2012	1,115,000	1,944,694	3,059,694	37,865,000
2013	1,895,000	1,869,444	3,764,444	35,970,000
2014	2,000,000	1,769,569	3,769,569	33,970,000
2015	2,100,000	1,661,944	3,761,944	31,870,000
2016	2,215,000	1,548,675	3,763,675	29,655,000
2017	2,330,000	1,432,281	3,762,281	27,325,000
2018	2,455,000	1,312,656	3,767,656	24,870,000
2019	2,555,000	1,184,213	3,739,213	22,315,000
2020	2,715,000	1,053,234	3,768,234	19,600,000
2021	1,785,000	947,297	2,732,297	17,815,000
2022	1,860,000	859,931	2,719,931	15,955,000
2023	1,950,000	767,063	2,717,063	14,005,000
2024	2,045,000	669,684	2,714,684	11,960,000
2025	2,150,000	567,431	2,717,431	9,810,000
2026	2,265,000	455,569	2,720,569	7,545,000
2027	2,385,000	333,506	2,718,506	5,160,000
2028	2,510,000	205,013	2,715,013	2,650,000
2029	2,650,000	69,563	2,719,563	-
Total	\$ 44,720,000	\$ 31,325,806	\$ 76,045,806	

2003A Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 2,025,000	\$ 883,344	\$ 2,908,344	\$ 19,720,000
2007	2,075,000	832,094	2,907,094	17,645,000
2008	2,050,000	765,156	2,815,156	15,595,000
2009	1,275,000	705,031	1,980,031	14,320,000
2010	1,310,000	655,869	1,965,869	13,010,000
2011	1,400,000	593,831	1,993,831	11,610,000
2012	1,435,000	539,409	1,974,409	10,175,000
2013	1,485,000	479,863	1,964,863	8,690,000
2014	1,555,000	403,863	1,958,863	7,135,000
2015	1,640,000	321,938	1,961,938	5,495,000
2016	1,720,000	233,738	1,953,738	3,775,000
2017	1,810,000	141,075	1,951,075	1,965,000
2018	625,000	80,281	705,281	1,340,000
2019	655,000	50,625	705,625	685,000
2020	685,000	17,125	702,125	-
Total	\$ 21,745,000	\$ 6,703,242	\$ 28,448,242	

Utah Water Finance Agency

Schedule of Revenue Bond Debt Service Payments (continued)

A-7 Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 1,000,000	\$ 296,700	\$ 1,296,700	\$ 7,600,000
2007	1,000,000	262,200	1,262,200	6,600,000
2008	1,000,000	227,700	1,227,700	5,600,000
2009	1,000,000	193,200	1,193,200	4,600,000
2010	1,100,000	158,700	1,258,700	3,500,000
2011	1,100,000	120,750	1,220,750	2,400,000
2012	1,200,000	82,800	1,282,800	1,200,000
2013	1,200,000	41,400	1,241,400	-
Total	\$ 8,600,000	\$ 1,383,450	\$ 9,983,450	

* The A-7 series revenue bond has a variable interest rate. For purposes of this schedule, an assumed rate of 3.45% per annum is used. Actual interest payments will vary from this schedule.

A-8 Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ -	\$ 540,000	\$ 540,000	\$ 12,000,000
2007	-	540,000	540,000	12,000,000
2008	-	540,000	540,000	12,000,000
2009	-	540,000	540,000	12,000,000
2010	-	540,000	540,000	12,000,000
2011	-	540,000	540,000	12,000,000
2012	-	540,000	540,000	12,000,000
2013	-	540,000	540,000	12,000,000
2014	-	540,000	540,000	12,000,000
2015	-	540,000	540,000	12,000,000
2016	-	540,000	540,000	12,000,000
2017	-	540,000	540,000	12,000,000
2018	-	540,000	540,000	12,000,000
2019	-	540,000	540,000	12,000,000
2020	-	540,000	540,000	12,000,000
2021	700,000	511,125	1,211,125	11,300,000
2022	700,000	479,625	1,179,625	10,600,000
2023	800,000	444,000	1,244,000	9,800,000
2024	800,000	408,000	1,208,000	9,000,000
2025	800,000	372,000	1,172,000	8,200,000
2026	900,000	331,875	1,231,875	7,300,000
2027	900,000	291,375	1,191,375	6,400,000
2028	1,000,000	246,750	1,246,750	5,400,000
2029	1,000,000	201,750	1,201,750	4,400,000
2030	1,000,000	152,625	1,152,625	3,400,000
2031	1,100,000	103,500	1,203,500	2,300,000
2032	1,100,000	58,125	1,158,125	1,200,000
2033	1,200,000	4,500	1,204,500	-
Total	\$ 12,000,000	\$ 11,705,250	\$ 23,705,250	

* The A-8 series revenue bond has a variable interest rate. For purposes of this schedule, an assumed rate of 4.5% per annum is used. Actual interest payments will vary from this schedule.

Utah Water Finance Agency

Schedule of Revenue Bond Debt Service Payments (continued)

2003B Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 750,000	\$ 1,030,294	\$ 1,780,294	\$ 21,000,000
2007	785,000	1,007,269	1,792,269	20,215,000
2008	800,000	983,494	1,783,494	19,415,000
2009	835,000	954,794	1,789,794	18,580,000
2010	875,000	921,688	1,796,688	17,705,000
2011	900,000	887,281	1,787,281	16,805,000
2012	925,000	849,625	1,774,625	15,880,000
2013	985,000	805,344	1,790,344	14,895,000
2014	1,025,000	757,656	1,782,656	13,870,000
2015	1,100,000	707,219	1,807,219	12,770,000
2016	1,120,000	649,744	1,769,744	11,650,000
2017	1,200,000	587,394	1,787,394	10,450,000
2018	1,250,000	521,550	1,771,550	9,200,000
2019	1,335,000	452,078	1,787,078	7,865,000
2020	1,410,000	378,306	1,788,306	6,455,000
2021	1,485,000	300,503	1,785,503	4,970,000
2022	1,570,000	218,400	1,788,400	3,400,000
2023	1,655,000	131,728	1,786,728	1,745,000
2024	1,745,000	43,625	1,788,625	
Total	\$ 21,750,000	\$ 12,187,992	\$ 33,937,992	

2004A Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ -	\$ 1,807,350	\$ 1,807,350	\$ 38,015,000
2007	1,020,000	1,798,425	2,818,425	36,995,000
2008	1,045,000	1,773,825	2,818,825	35,950,000
2009	1,735,000	1,723,450	3,458,450	34,215,000
2010	1,800,000	1,648,250	3,448,250	32,415,000
2011	1,885,000	1,560,625	3,445,625	30,530,000
2012	1,985,000	1,463,875	3,448,875	28,545,000
2013	1,300,000	1,388,250	2,688,250	27,245,000
2014	2,135,000	1,308,875	3,443,875	25,110,000
2015	2,250,000	1,199,250	3,449,250	22,860,000
2016	2,360,000	1,084,000	3,444,000	20,500,000
2017	2,480,000	963,000	3,443,000	18,020,000
2018	1,625,000	860,375	2,485,375	16,395,000
2019	1,710,000	777,000	2,487,000	14,685,000
2020	1,795,000	689,375	2,484,375	12,890,000
2021	1,890,000	597,250	2,487,250	11,000,000
2022	1,985,000	500,375	2,485,375	9,015,000
2023	2,090,000	398,500	2,488,500	6,925,000
2024	2,195,000	291,375	2,486,375	4,730,000
2025	2,305,000	178,875	2,483,875	2,425,000
2026	2,425,000	60,625	2,485,625	
Total	\$ 38,015,000	\$ 22,072,925	\$ 60,087,925	

Utah Water Finance Agency

Schedule of Revenue Bond Debt Service Payments (continued)

A-9 Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ -	\$ 1,832,853	\$ 1,832,853	\$ 47,300,000
2007	-	1,832,853	1,832,853	47,300,000
2008	-	1,832,853	1,832,853	47,300,000
2009	-	1,832,853	1,832,853	47,300,000
2010	-	1,832,853	1,832,853	47,300,000
2011	-	1,832,853	1,832,853	47,300,000
2012	-	1,832,853	1,832,853	47,300,000
2013	-	1,832,853	1,832,853	47,300,000
2014	-	1,832,853	1,832,853	47,300,000
2015	-	1,832,853	1,832,853	47,300,000
2016	-	1,832,853	1,832,853	47,300,000
2017	-	1,832,853	1,832,853	47,300,000
2018	-	1,832,853	1,832,853	47,300,000
2019	-	1,832,853	1,832,853	47,300,000
2020	-	1,832,853	1,832,853	47,300,000
2021	-	1,832,853	1,832,853	47,300,000
2022	-	1,832,853	1,832,853	47,300,000
2023	-	1,832,853	1,832,853	47,300,000
2024	-	1,832,853	1,832,853	47,300,000
2025	3,430,000	1,701,967	5,131,967	43,870,000
2026	3,590,000	1,553,063	5,143,063	40,280,000
2027	3,755,000	1,397,311	5,152,311	36,525,000
2028	3,925,000	1,234,508	5,159,508	32,600,000
2029	4,100,000	1,064,428	5,164,428	28,500,000
2030	4,300,000	886,117	5,186,117	24,200,000
2031	4,480,000	723,360	5,203,360	19,720,000
2032	4,650,000	556,470	5,206,470	15,070,000
2033	4,835,000	382,965	5,217,965	10,235,000
2034	5,020,000	202,800	5,222,800	5,215,000
2035	5,215,000	15,645	5,230,645	-
Total	\$ 47,300,000	\$ 44,542,841	\$ 91,842,841	

* The A-9 series revenue bond has a variable interest rate. For purposes of this schedule, an assumed rate of 4.163% per annum is used. Actual interest payments will vary from this schedule.

A-10 Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 250,000	\$ 85,305	\$ 335,305	\$ 2,335,000
2007	260,000	77,055	337,055	2,075,000
2008	270,000	68,475	338,475	1,805,000
2009	275,000	59,565	334,565	1,530,000
2010	285,000	50,490	335,490	1,245,000
2011	300,000	41,085	341,085	945,000
2012	305,000	31,185	336,185	640,000
2013	315,000	21,120	336,120	325,000
2014	325,000	10,725	335,725	-
Total	\$ 2,585,000	\$ 445,005	\$ 3,030,005	

* The A-10 series revenue bond has a variable interest rate. For purposes of this schedule, an assumed rate of 3.30% per annum is used. Actual interest payments will vary from this schedule.

Utah Water Finance Agency

Schedule of Revenue Bond Debt Service Payments (continued)

A-11 Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ -	\$ 1,454,269	\$ 1,454,269	\$ 37,100,000
2007	-	1,567,475	1,567,475	37,100,000
2008	-	1,567,475	1,567,475	37,100,000
2009	-	1,567,475	1,567,475	37,100,000
2010	-	1,567,475	1,567,475	37,100,000
2011	-	1,567,475	1,567,475	37,100,000
2012	-	1,567,475	1,567,475	37,100,000
2013	-	1,567,475	1,567,475	37,100,000
2014	-	1,567,475	1,567,475	37,100,000
2015	-	1,567,475	1,567,475	37,100,000
2016	-	1,567,475	1,567,475	37,100,000
2017	-	1,567,475	1,567,475	37,100,000
2018	-	1,567,475	1,567,475	37,100,000
2019	-	1,567,475	1,567,475	37,100,000
2020	-	1,567,475	1,567,475	37,100,000
2021	-	1,567,475	1,567,475	37,100,000
2022	-	1,567,475	1,567,475	37,100,000
2023	-	1,567,475	1,567,475	37,100,000
2024	-	1,567,475	1,567,475	37,100,000
2025	-	1,567,475	1,567,475	37,100,000
2026	4,400,000	1,474,525	5,874,525	32,700,000
2027	4,600,000	1,284,400	5,884,400	28,100,000
2028	5,000,000	1,081,600	6,081,600	23,100,000
2029	5,300,000	864,012	6,164,012	17,800,000
2030	5,600,000	633,750	6,233,750	12,200,000
2031	5,900,000	390,812	6,290,812	6,300,000
2032	6,300,000	133,088	6,433,088	-
Total	\$ 37,100,000	\$ 37,098,481	\$ 74,198,481	

* The A-11 series revenue bond has a variable interest rate. For purposes of this schedule, an assumed rate of 3.30% per annum is used. Actual interest payments will vary from this schedule.

2005A Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ 1,150,000	\$ 1,394,963	\$ 2,544,963	\$ 30,485,000
2007	1,360,000	1,354,175	2,714,175	29,125,000
2008	1,405,000	1,309,244	2,714,244	27,720,000
2009	1,450,000	1,262,850	2,712,850	26,270,000
2010	1,495,000	1,214,994	2,709,994	24,775,000
2011	1,560,000	1,163,400	2,723,400	23,215,000
2012	1,615,000	1,103,800	2,718,800	21,600,000
2013	1,870,000	1,024,750	2,894,750	19,730,000
2014	1,975,000	928,625	2,903,625	17,755,000
2015	2,075,000	827,375	2,902,375	15,680,000
2016	2,165,000	721,375	2,886,375	13,515,000
2017	2,275,000	610,375	2,885,375	11,240,000
2018	2,390,000	493,750	2,883,750	8,850,000
2019	3,540,000	345,500	3,885,500	5,310,000
2020	1,145,000	228,375	1,373,375	4,165,000
2021	1,200,000	169,750	1,369,750	2,965,000
2022	1,265,000	108,125	1,373,125	1,700,000
2023	830,000	57,825	887,825	870,000
2024	870,000	19,575	889,575	-
Total	\$ 31,635,000	\$ 14,338,825	\$ 45,973,825	

Utah Water Finance Agency

Schedule of Revenue Bond Debt Service Payments (continued)

2005B Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ -	\$ 1,813,306	\$ 1,813,306	\$ 40,690,000
2007	30,000	1,995,775	2,025,775	40,660,000
2008	100,000	1,993,500	2,093,500	40,560,000
2009	100,000	1,990,000	2,090,000	40,460,000
2010	100,000	1,986,500	2,086,500	40,360,000
2011	700,000	1,970,750	2,670,750	39,660,000
2012	1,255,000	1,931,650	3,186,650	38,405,000
2013	1,370,000	1,879,150	3,249,150	37,035,000
2014	1,425,000	1,816,125	3,241,125	35,610,000
2015	1,505,000	1,742,875	3,247,875	34,105,000
2016	1,575,000	1,665,875	3,240,875	32,530,000
2017	1,655,000	1,585,125	3,240,125	30,875,000
2018	1,745,000	1,500,125	3,245,125	29,130,000
2019	1,830,000	1,410,750	3,240,750	27,300,000
2020	1,925,000	1,316,875	3,241,875	25,375,000
2021	2,020,000	1,218,250	3,238,250	23,355,000
2022	2,120,000	1,114,750	3,234,750	21,235,000
2023	2,225,000	1,006,125	3,231,125	19,010,000
2024	2,335,000	892,125	3,227,125	16,675,000
2025	2,455,000	772,375	3,227,375	14,220,000
2026	2,570,000	646,750	3,216,750	11,650,000
2027	2,700,000	515,000	3,215,000	8,950,000
2028	2,840,000	376,500	3,216,500	6,110,000
2029	2,980,000	231,000	3,211,000	3,130,000
2030	3,130,000	78,250	3,208,250	
Total	\$ 40,690,000	\$ 33,449,506	\$ 74,139,506	

Utah Water Finance Agency

Schedule of Revenue Bond Debt Service Payments (continued)

A-12 Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ -	\$ 1,152,540	\$ 1,152,540	\$ 33,100,000
2007	-	1,152,540	1,152,540	33,100,000
2008	-	1,152,540	1,152,540	33,100,000
2009	-	1,152,540	1,152,540	33,100,000
2010	-	1,152,540	1,152,540	33,100,000
2011	-	1,152,540	1,152,540	33,100,000
2012	-	1,152,540	1,152,540	33,100,000
2013	-	1,152,540	1,152,540	33,100,000
2014	-	1,152,540	1,152,540	33,100,000
2015	-	1,152,540	1,152,540	33,100,000
2016	-	1,152,540	1,152,540	33,100,000
2017	-	1,152,540	1,152,540	33,100,000
2018	-	1,152,540	1,152,540	33,100,000
2019	-	1,152,540	1,152,540	33,100,000
2020	-	1,152,540	1,152,540	33,100,000
2021	-	1,152,540	1,152,540	33,100,000
2022	-	1,152,540	1,152,540	33,100,000
2023	-	1,152,540	1,152,540	33,100,000
2024	-	1,152,540	1,152,540	33,100,000
2025	-	1,152,540	1,152,540	33,100,000
2026	-	1,152,540	1,152,540	33,100,000
2027	-	1,152,540	1,152,540	33,100,000
2028	-	1,152,540	1,152,540	33,100,000
2029	3,700,000	1,066,652	4,766,652	29,400,000
2030	3,900,000	933,180	4,833,180	25,500,000
2031	4,000,000	795,060	4,795,060	21,500,000
2032	4,100,000	653,456	4,753,456	17,400,000
2033	4,200,000	508,372	4,708,372	13,200,000
2034	4,300,000	359,808	4,659,808	8,900,000
2035	4,400,000	207,764	4,607,764	4,500,000
2036	4,500,000	52,232	4,552,232	-
Total	\$ 33,100,000	\$ 31,084,944	\$ 64,184,944	

* The A-12 series revenue bond has a variable interest rate. For purposes of this schedule, an assumed rate of 3.482% per annum is used. Actual interest payments will vary from this schedule.

Utah Water Finance Agency

Schedule of Revenue Bond Debt Service Payments (continued)

A-13 Series Revenue Bond

Year Ending June 30	Debt Service Payments			Balance at End of Year
	Principal	Interest	Total	
2006	\$ -	\$ 720,000	\$ 720,000	\$ 20,000,000
2007	-	720,000	720,000	20,000,000
2008	-	720,000	720,000	20,000,000
2009	-	720,000	720,000	20,000,000
2010	-	720,000	720,000	20,000,000
2011	800,000	700,800	1,500,800	19,200,000
2012	800,000	672,000	1,472,000	18,400,000
2013	700,000	645,600	1,345,600	17,700,000
2014	700,000	620,400	1,320,400	17,000,000
2015	700,000	595,200	1,295,200	16,300,000
2016	700,000	570,000	1,270,000	15,600,000
2017	-	561,600	561,600	15,600,000
2018	-	561,600	561,600	15,600,000
2019	-	561,600	561,600	15,600,000
2020	-	561,600	561,600	15,600,000
2021	-	561,600	561,600	15,600,000
2022	-	561,600	561,600	15,600,000
2023	-	561,600	561,600	15,600,000
2024	2,900,000	492,000	3,392,000	12,700,000
2025	3,000,000	385,200	3,385,200	9,700,000
2026	3,100,000	274,800	3,374,800	6,600,000
2027	3,200,000	160,800	3,360,800	3,400,000
2028	3,400,000	40,800	3,440,800	-
Total	\$ 20,000,000	\$ 12,688,800	\$ 32,688,800	

* The A-13 series revenue bond has a variable interest rate. For purposes of this schedule, an assumed rate of 3.6% per annum is used. Actual interest payments will vary from this schedule.



Certified Public Accountants (a professional corporation)

1765 West Clinton Row Salt Lake City, Utah 84119-4001 Phone (801) 472-4800 Fax (801) 472-4801

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors
Utah Water Finance Agency

We have audited the basic financial statements of **Utah Water Finance Agency ("UWFA")** as of and for the year ended June 30, 2005, and have issued our report thereon dated December 15, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **UWFA's** internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether **UWFA's** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the board of directors, management, and state agencies and is not intended to be and should not be used by anyone other than these specified parties.

Haynie & Co.

Salt Lake City, Utah
December 15, 2005



Certified Public Accountants (a professional corporation)
1785 West Centers Blvd., Salt Lake City, Utah 84119-1024, Utah 801-470-4600

**REPORT ON LEGAL COMPLIANCE APPLICABLE TO UTAH STATE LAWS
AND REGULATIONS**

Board of Directors
Utah Water Finance Agency

We have audited the financial statements of **Utah Water Finance Agency ("UWFA")** for the year ended June 30, 2005, and have issued our report thereon dated December 15, 2005. Our audit included testwork on **UWFA's** compliance with those general compliance requirements identified in the State of Utah Legal Compliance Audit Guide, including:

Cash Management
Other General Compliance Issues
Special Districts

UWFA did not receive any major or nonmajor State grants for the year ended June 30, 2005.

The management of **UWFA** is responsible for **UWFA's** compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about **UWFA's** compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the general requirements referred to above.

In our opinion, **UWFA** complied, in all material respects, with the general compliance requirements identified above for the year ended June 30, 2005.

Haynie & Co.

Salt Lake City, Utah
December 15, 2005